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NCUA Media Release

Family First Federal Credit Union Placed Into Conservatorship

Family First is open, operating and serving its members

July 30, 2010 Alexandria, Va. – The National Credit Union Administration (NCUA) today assumed control of operations at Family First Federal Credit Union of Orem, Utah. NCUA’s goal is to continue credit union service to the members and ensure safe and sound credit union operations.

Service to Family First Federal Credit Union’s 19,476 members will continue uninterrupted. Members can conduct normal financial transactions – deposit and access funds, make loan payments and use share drafts. Family First Federal Credit Union is a full service credit union, with assets of \$139.5 million, that provides financial service to people residing in Utah County, Utah.

Family First Federal Credit Union was placed into conservatorship due to declining financial condition. The credit union is not adequately capitalized under standards set forth in the Federal Credit Act, and has earnings insufficient to enable it to continue under present management. The credit union’s problems stemmed from problems in its loan portfolio.

The decision to conserve a credit union enables the institution to continue normal operations with expert management in place correcting previous service and operational weaknesses.

Member deposits are safe. Their accounts are insured up to at least \$250,000 by the National Credit Union Share Insurance Fund (NCUSIF), a federal fund managed by NCUA and backed by the full faith and credit of the U.S. Government.

The Federal Credit Union Act authorizes the NCUA Board to appoint itself conservator when necessary to conserve the assets of a federally insured credit union, protect members’ interests or protect the NCUSIF.

The National Credit Union Administration (NCUA) is the independent federal agency that charters and supervises federal credit unions. NCUA, backed by the full faith and credit of the U.S. government, operates the National Credit Union Share Insurance Fund insuring the deposits of nearly 90 million account holders in all federal credit unions and the vast majority of state-chartered credit unions. NCUA is funded by credit unions, not tax dollars.

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